

July 19, 1961

**MEMORANDUM FOR THE PRESIDENT**

**Subject: This Afternoon's Meetings**

You will have your Berlin steering group at 3 o'clock and the NSC at 4. The first meeting should allow us to get a clear sense of what we want to review and decide firmly in the second. I suggest the following agenda for the first meeting.

1. A brief review of the military alternatives. You are quite familiar with this, and Annex C of the blue report gives a good summary of the alternatives as they now stand. The only disappointing element of Annex C is the appendix, which shows the State Department's estimate that there will not be a strong allied response to requests for parallel action on their part. It thus becomes a major diplomatic question whether we want to ask strongly for something we may not get. Your should also consider Max Taylor's memo on "the third alternative," in Annex A. (Written in ink on original)

2. Whichever military level you decide on, there is need for additional decisions about a national emergency and about standby controls and taxing authority. I believe there is general agreement in the steering group that the national emergency is not now necessary, but a hard wing of the Kohler group, led by Acheson and Nitze, disagrees. It will be important to decide how to handle this matter in the 4 o'clock meeting so as to have as much harmony and unanimity in the government as possible, once the decision is taken. On standby controls and taxes, Ted Sorenson has a memo; it's not an easy choice.

3. A third item which deserves discussion at the 3 o'clock meeting is economic sanctions policy. Annex B of the blue book gives a clear-cut recommendation for a general economic embargo against the Sino-Soviet bloc if access to Berlin is blocked. The case is worth reading, and it makes clear that we could do a lot of harm to the Sino-Soviet economy, at a considerable cost to ourselves. The intelligence estimate indicates that an

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embargo in itself is not likely to have a decisive effect upon the Soviets. And again, as Annex B indicates, it will be hard to sell sanctions to our allies, and since the immediate cost will fall more on them than on us, we might have to provide several hundreds of millions a year in compensation.

4. But the most important subject for discussion in the first meeting, and the one which you may wish to put first, is the political scenario. The Secretary of State has sent over a talking paper which indicates his sense of the problem. The first two and one-half pages are a general summary. From IV onward, there is an indicated timetable of activity which carries through pretty clearly to the end of September, and becomes foggy beyond that point -- almost inevitably. The paper does not make clear the Secretary's view of two important questions which you may wish to raise with him.

The first is whether we should now make clear that neither the peace treaty nor the substitution of East Germans for Russians along the Autobahn is a fighting matter.

The second is whether we should extend serious offers to the Soviets with respect to the elements of an eventual settlement of the crisis.

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On the basis of the three o'clock meeting, I will try to draft an order of discussion for the four o'clock meeting, and I think you should begin that session by announcing the subjects on which you wish decisions. My guess is that it may make sense to take up the questions at the four o'clock meeting in the order of their urgency, something like this:

1. Level of military build-up
2. Other immediate measures -- national emergency? taxes? stand-by controls?
3. (If you choose) Suggestions for the tone and content of your speech.

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(From here on the urgency is somewhat less great, and the key problem is preparation for the Foreign Ministers Meeting.)

4. Economic sanctions policy
5. Immediate political steps
  - a. Early talks with the Soviets? (Acheson against and Rusk undecided)
  - b. An immediate decision on attitude toward the peace treaty and East German troops on the Autobahn. (The British are pressing hard for this.)

Some other matters which we are concerned with can be discussed at a slower tempo and should probably be explicitly deferred. Among these are the military operations plan in the event that access is blocked, the Defense Department's recommendations for a long-run defense build-up, details of the civil defense program.

This is probably the most important NSC meeting that we have had, and there is no reason why it cannot be continued tomorrow if you wish.

McG. B.